

REMARKS/ARGUMENTS

In the January 26, 2004 Office Action, the drawings/specification was objected to once again. The restriction of claims 16-43 was maintained. The Declaration filed on December 8, 2003 was indicated as being sufficient to overcome Curley reference. However, claims 1-31 were rejected under 35 USC §103(a) as being unpatentable over Price et al. "College Accounting, 7th Edition" in combination with an "Official Notice". On May 5, 2004, Applicant, his attorney and the Examiner conducted an interview regarding the rejections. An agreement with respect to the claims and the relevance of the reference was not reached during this interview.

In response to the above-identified Office Action, Applicant has amended the Specification to conform with the previously submitted formal drawings. Applicant has also amended claims 1 and 11, cancelled claims 3-5, 10 and 14-15, and added new claims 44-59. Reexamination and reconsideration of the application, as amended, is respectfully requested.

TIME EXTENSION REQUEST

Submitted herewith is a One-month Time Extension Request and required fee.

DRAWING OBJECTIONS

The drawings were objected to under 37 CFR §1.83(a) in the August 4, 2003 Office Action based upon the assertion that they failed to describe FIGS. 2-5 as described in the Specification, and that FIG. 7 did not describe steps 3-6 as detailed from page 17 of the application.

Furthermore, FIG. 1 failed to be labeled as prior art. In the August 4, 2003 Office Action, it was requested that any structural detail that was essential for a proper understanding of the disclosed invention should be shown in the drawing.

In the December 8, 2003 Response, Applicant provided a revised set of drawings which labeled steps and components of the drawings with reference numbers and labeled FIG. 1 (prior art). Portions of the Specification were amended to incorporate the reference numbers, provide added description of the figures, and correct deficiencies such as grammar or spelling deficiencies.

However, in the January 26, 2004 Office Action, the drawings were once again objected to as not being acceptable based upon the assertion that the drawings do not correspond to the descriptive portion of the Specification, pointing out various perceived inconsistencies.

In Response, Applicant submits herewith a substitute Specification incorporating changes in the Specification such that the Specification reflects the reference numbers in the drawings. Paragraphs have also been inserted to the Detailed Description of the Preferred Embodiment section having a basis in the original Specification and drawings to overcome the objections. No new matter has been added to the application. Applicant has taken the opportunity to correct a few misspellings as well. With these amendments, Applicant believes that there are no inconsistencies between the drawings and the revised Specification.

CLAIM REJECTIONS

As indicated above, claims 16-31 are subject to a Restriction Requirement. The remaining claims (1-15) were rejected as being obvious

in light of the Price publication and the Examiner's "Official Notice" regarding performing financial processing using computer software.

As part of the May 5, 2004 Interview with the Examiner, Applicant submitted a Declaration (which Examiner indicated would be entered into the record so as to be a part of this Response). In the Declaration, Applicant provided his expertise in this field, addressed the fact that the Price publication does not teach what is claimed in the present invention, and states the non-obviousness of the invention due to the benefits achieved by the present invention and the commercial success that it has attained.

During the Interview, the Examiner indicated that there might be an "intended use" concern with independent claim 1 due to the word "for" in the preamble. Applicant has amended claim 1 to delete "for" in the preamble to alleviate any such concern. During the Interview, Applicant explained the benefits derived by conducting the present invention in a relational database management system. The Examiner indicated that he was giving this consideration very little patentable weight as it was recited only in the preamble. Applicant has amended independent claim 1 to positively recite that a relational database is provided and that various steps are conducted within the relational database. Contrary to the statement in the May 7, 2004 Interview Summary, the Examiner maintained his assertion that claim 1 did not define over the Price reference; and Applicant maintained his assertion that the Price reference did not teach Applicant's invention, as claimed in independent claim 1. The Examiner indicated that it was the Group Art Unit's policy that a "relational database" consisted of any group of information which was interrelated. Applicant has amended independent claim1 to positively recite an electronic relational database as well as to positively recite that many of the steps, including the preparing, establishing and calculating steps be performed within the electronic relational database. Applicant

respectfully asserts that this is simply not addressed in either the Price or "Official Notice" rejections.

As indicated above, claim 1 is directed to a process that determines object level profitability in a relational database management system. An electronic relational database is provided and information to be accessed electronically through the relational database management system is prepared by extracting, conditioning and loading object attribute values, financial statement attribute values and event attribute values into the relational database. Rules are established in the relational database for processing the prepared information. Within the relational database, at least one marginal value of profit for each object being measured is simultaneously and independently calculated in parallel using the established rules. In the relational database, a fully absorbed profit adjustment value for each object being measured is then calculated. Finally, the at least one marginal value of profit and the full absorbed profit adjustment value are combined to create a measure for object level profitability.

New independent claim 44 specifies that the relational database is a structured query language relational database. The at least one marginal value of profit calculation is defined as calculating net interest, other revenue and direct expense. The calculation of the fully absorbed profit adjustment value for each object being measured is recited as including the step of calculating the value for indirect expense. Otherwise, independent claim 44 contains the same recitations as independent claim 1.

While a single reference may serve as the basis of a rejection under 35 USC §103, that single reference must still disclose all the features of the claimed invention. To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. M.P.E.P. §2143.03 (citing In re Royka, 180 USPQ 580 (CCPA 1974). All words in a claim must be considered in judging the patentability of that

claim against the prior art. In re Wilson, 165 USPQ 494, 496 (CCPA 1970).

Although Price may disclose a method of measuring profit based on factors of revenues, direct expenses, indirect expenses, and risk, as stated in the Declaration of Tad Lepman, dated April 27, 2004 (copy attached). Price actually discloses what is referred to in the present application as being "prior art", as illustrated in FIG. 1 and discussed in the background section of the present application. Price covers the basics of transactional accounting, or bookkeeping. Price does not discuss methods of marginal pricing necessary for object profit measures which are more detailed than departmental or business segments. In contrast to the present invention, Price states that interest income and interest expense are not allocated in responsibility accounting. Price's scope is financial bookkeeping and not economic theory or market based financial concepts, and thus it is silent on the concepts of fund transfer pricing or of risk base adjustment to profit measures.

In particular, there is no discussion whatsoever in Price as to preparing information to be accessed electronically through a relational database, or establishing the rules necessary in a relational database for processing and preparing information. Price's accounting rules do not lead to relational database formulation or mathematical rules making parallel computer financial calculation possible.

As stated in paragraphs 6-8 of Mr. Lepman's Declaration, the steps of extracting, conditioning and loading object attribute values, financial statement attribute values and event attribute values into a relational database is not discussed whatsoever in Price. Moreover, as Mr. Lepman states, Price would consider it completely unnecessary for transactional accounting or marginal valuing attributes. Thus, Price teaches away from these recitations, which are now in independent claim 1 (as well as new independent claims 44, 50, 56 and 57).

Claims 6, 45, 52 and 58 recite that the preparing step includes a step of calculating opportunity values of funds used or supplied by each object being measured. Mr. Lepman, in paragraph 9 of his Declaration, states that Price is totally silent on how to properly value balance sheet dynamics in responsibility accounting and thus completely ignores this step.

With respect to claims 7, 36 and 53, Mr. Lepman, in paragraph 10 of his Declaration, states that Price is completely silent on establishing steps of providing the information necessary to select objects, and performing correct profit calculus.

With respect to claims 1, 8, 11, 12, 44, 50, 56 and 57, Mr. Lepman, in his Declaration, states that Price does not mention the profit calculation recited in these claims which is required to value a financial objects balance sheet dynamic. Mr. Lepman states that due to the fact that Price is directed to the creation of financial statements in a traditional accounting sense, Price simply does not imply the use of expected valuing in risk provisioning or combining at least one marginal value of calculated profit and fully absorbed profit adjustment values to create a measure for object level profitability.

With respect to claims 13, 48, 54 and 59, no economic adjustment is proscribed for taxes and/or object economic value in Price.

In light of the foregoing, Applicant respectfully submits that Price does not teach or suggest all of the claim limitations of the present application.

In the above-identified Office Action, the Examiner took "official notice" that performing financial processing using computer software is common knowledge in the art. Moreover, the Examiner asserted that "to have provided a method of performing a financial process for an account using software for a computer measuring profit based on the factors of net interest revenue, other revenues, direct expenses, indirect expenses and risks, also have to take advantage of flexible business rules to calculate

known variations of one of the factors e.g. net interest revenue, would have been obvious to one of ordinary skill in the art". Applicant respectfully disagrees and traverses this basis of rejection. Applicant is not merely claiming financial processing using computer software. Instead, Applicant is claiming a process for determining object level profitability in a relational database management system. Utilizing an electronic relational database in accordance with the present invention allows at least one marginal value of profit for each object being measured to be simultaneously and independently calculated in parallel. As stated by Mr. Lepman, in paragraph 14 of his Declaration, although account level profitability has been attempted with limited success using computer software, object level profitability using a relational database management system was not in place before his invention and provides many benefits over prior methodologies and systems. Calculating in parallel in accordance with the present invention allows "bottoms up" or behaviorally based calculation in determination of object level profitability in a manner which has been heretofore unattainable. The Examiner simply has not provided supporting documentation to show that such calculations would have been obvious to have been performed in a relational database using parallel computations in the manner recited in Applicant's independent claims at the time the application was filed.

Tad Lepman, in paragraphs 15-26 (referring to Exhibits B-M) points to the problem of companies who were unable to figure out how profitable their customers were. Mr. Lepman also describes the success that the present invention has attained, as well as the awards that it has won. Such success in the industry is evidence of the non-obviousness of the invention and counters the "official notice" that the invention is merely performing financial processing using computer software that is common knowledge in the art.

The United States Supreme Court in Graham v. John Deere Co., 383 U.S. 1 (1966) required that to make out a case of obviousness, one

must: (a) determine the scope and contents of the prior art; (b) ascertain the differences between the prior art and the claims in issue; (c) determine the level of skill in the pertinent art; and (d) evaluate any evidence of secondary considerations. MPEP §716 et. seq. and §2144 et. seq. require the Examiner to consider such secondary considerations such as commercial success in determining obviousness. Mr. Lepman's Declaration specifically discusses the previous unsolved need of companies who are unable to figure out how profitable their customers were (see Lepman Declaration, paragraph 15 and Exhibit B). Mr. Lepman, in his Declaration, has also shown the commercial success of his invention due to the embracing of the invention by many major companies and the awards that it has received (see Lepman Declaration, paragraphs 16-26). Such secondary considerations must be given substantial weight in the determination of obviousness or non-obviousness. See e.g. United States v. Adams, 383 U.S. 39 (1966); and In re Piasecki, 745 F.2d 1468 (Fed. Cir. 1984). Applicant respectfully asserts that when given the proper weight and consideration, such secondary considerations overcome the "official notice" and evidence the fact that the present invention was not obvious at the time of invention and filing of the present application.

Thus, Applicant respectfully asserts, that the "official notice" combined with Price still fail to teach or suggest the present invention, as recited in the currently pending claims. Accordingly, Applicant believes that the application is in condition for allowance, notice of which is hereby respectfully requested.

Respectfully submitted,

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